

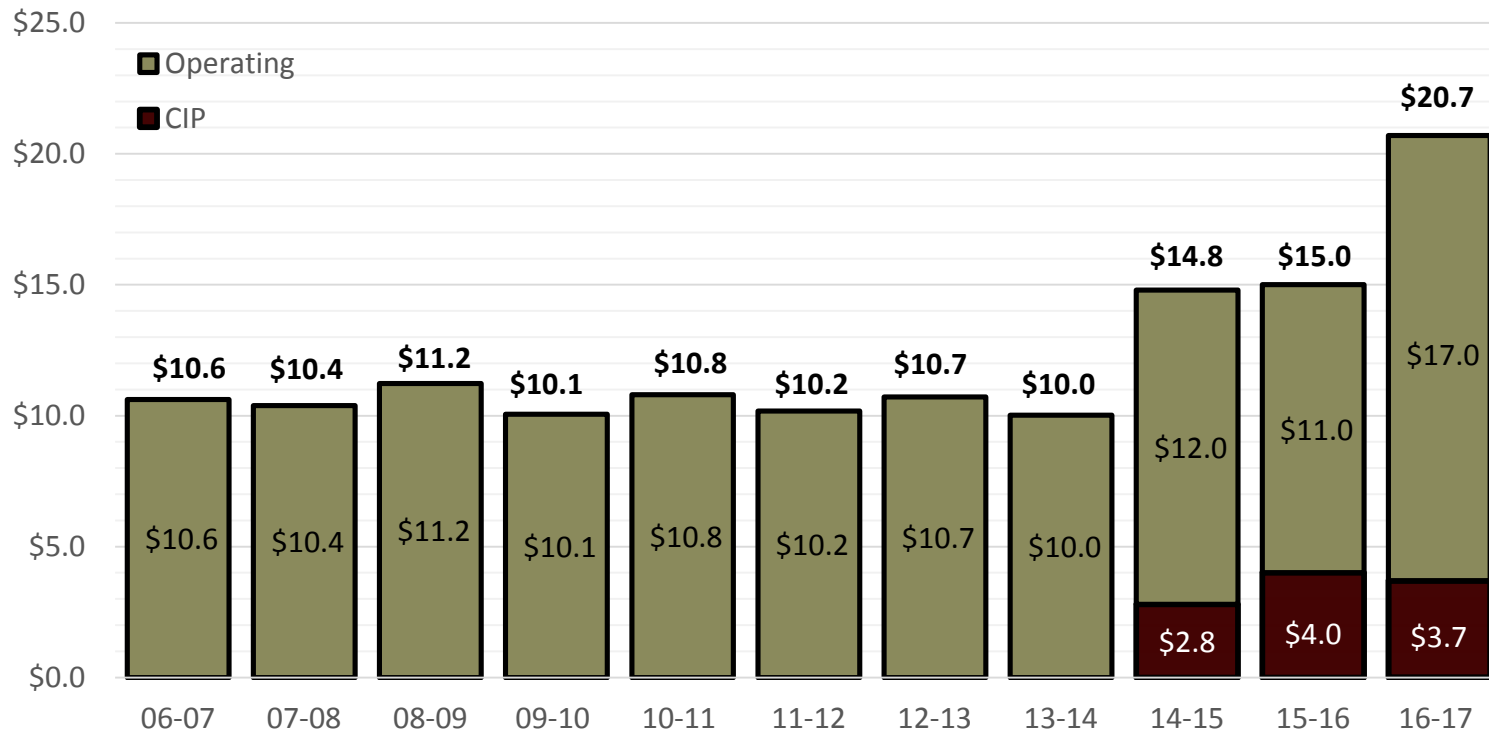
City of Garland

2017 Capital Improvement Program

Street Funding
January 28, 2017

Street Funding

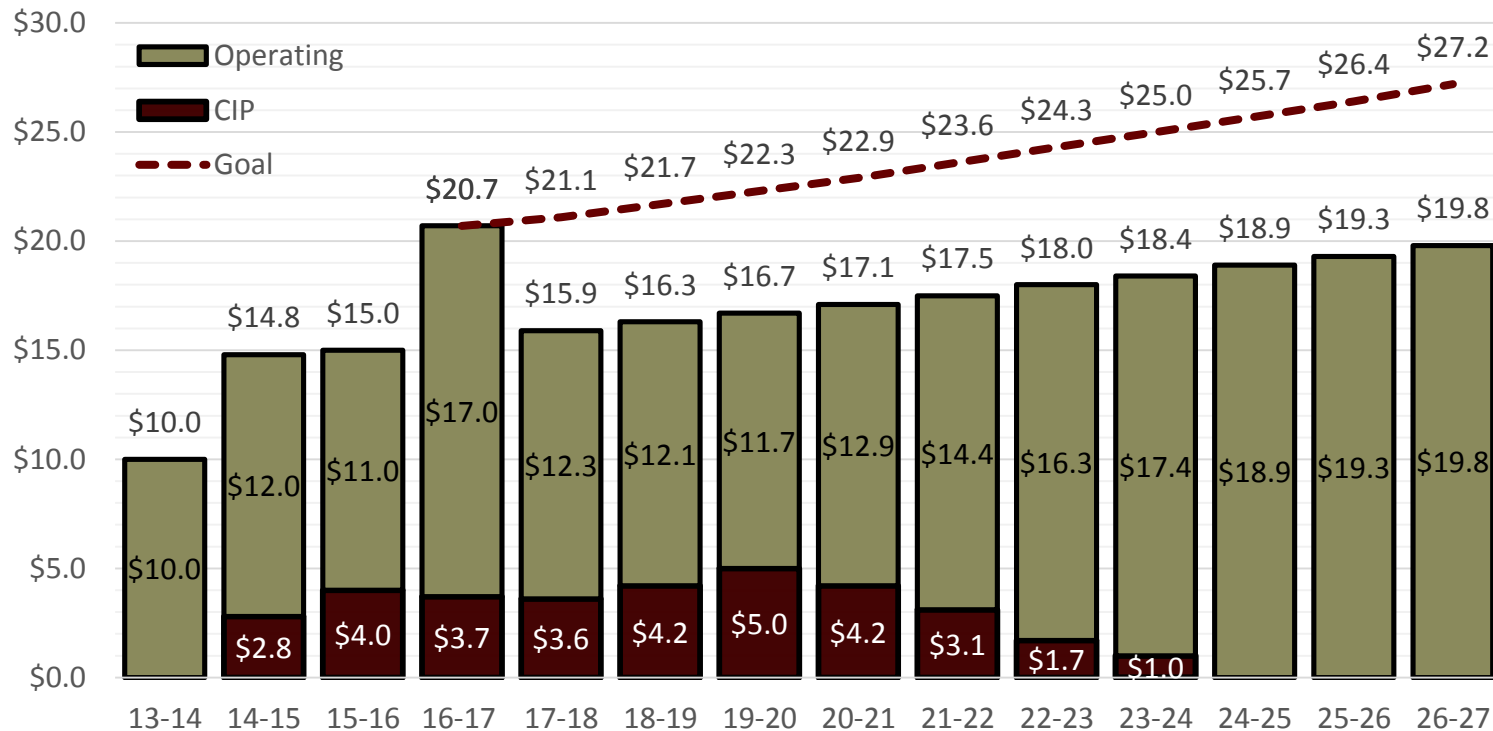
Ten-Year History of Total Street Funding (in Millions)



- **Prior to FY 2014-15** – Average Street Funding of \$10.5 million per year. PCI shows significant declines in 2014.
- **FY 2014-15** – Added approximately \$5.0 million per year by enhancing GF transfer and the issuance of 15-year COs in the CIP.
- **FY 2016-17** – Added an additional \$5.0 million from one-time GF transfer (\$3.0 million) and additional Tax Note Transfers (\$2 million).

Street Funding

Street Funding Projections Over Next Ten Years (in Millions)



Notes:

- (1) Street Funding Strategy implemented in 2015 provides approximately \$15.0 million a year (adjusted for inflation).
- (2) Funding goal of \$20.0 million (with 4% construction cost inflation).



Street Funding

Financial Strategy to Meet Funding Goal

City Council will, with each annual budget, consider the then-current and anticipated interest rates, construction cost inflation, and other market conditions in order to determine the most financially responsible funding mechanism (Cash-funded/Debt-funded).

Funding Mechanism:

1. “One-time funds” above \$1.0 million that are available in the General Fund Operating Budget at the end of each fiscal year will be dedicated to Street Improvements.
2. Increase Short-Term Tax Note transfers based on growth in tax base.
3. Additional General Fund cash transfers based on growth in tax base.
4. Issue additional Certificates of Obligation in the CIP.

Street Funding

Five-Year Projection to Meet Funding Goal (assuming no additional cash transfers available)

Five-Year Street Funding Projection (In Thousands)

	2017	2018	2019	2020	2021
Cash Transfers	\$11,627	\$ 9,325	\$10,038	\$10,703	\$11,374
Tax Note Transfer	5,400	4,200	3,200	2,200	2,700
Certificates of Obligation	3,679	7,555	8,445	9,400	8,869
Total Funding	\$20,706	\$21,080	\$21,683	\$22,303	\$22,943

Notes:

- (1) FY 2017 includes \$3 million in one-time General Fund transfers and \$2 million in additional Tax Note transfer to limit the amount of debt issuance for Street Improvements.
- (2) 15-year Certificates of Obligation totaling \$3.7 million proposed to be issued in 2017 CIP.
- (3) The CIP Model reserves debt capacity in future years to meet funding goals. This approach provides City Council flexibility and options to meet future funding goals.
- (4) Multiple options for funding the FY 2018 Goal will be provided during the Proposed Operating Budget Process.